

Form 3160-3
(December 1990)SUBMIT IN DUPLICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

N6360
United Utilities Corporation

3. ADDRESS AND TELEPHONE NO.

625 North 100 West Vernal, Utah 84068

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

784' FWL & 502' FNL Section 18, T11S, R23E 24E

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 59 miles south of Vernal, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit line, if any)

503'

16. NO. OF ACRES IN LEASE

800

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2850'

19. PROPOSED DEPTH

4500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5328' GR

22. APPROX. DATE WORK WILL START*

August 8, 1996

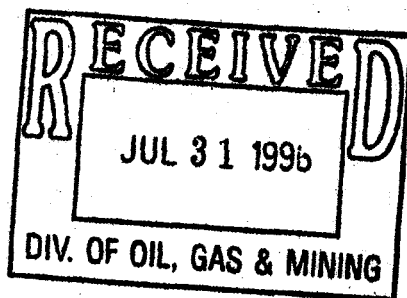
23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	K-55 9 5/8	36#	250'	160 sx to surface
7 7/8	M-50 4 1/2	10.5#	4500'	835 sx to surface

Attachments to this APD:

1. Surveyors location plat
2. Well Control Plan
3. Surface Use and Operating Plan
4. Maps & Diagrams
5. Self certification statement
6. Hazardous materials declaration



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Terry J. Cox

TITLE Agent-Consulting Eng.

DATE July 26, 1996

(This space for Federal or State office use)

PERMIT NO.

43-047-32778

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Matthew

TITLE

Petroleum Engineer 8/12/96

*See Instructions On Reverse Side

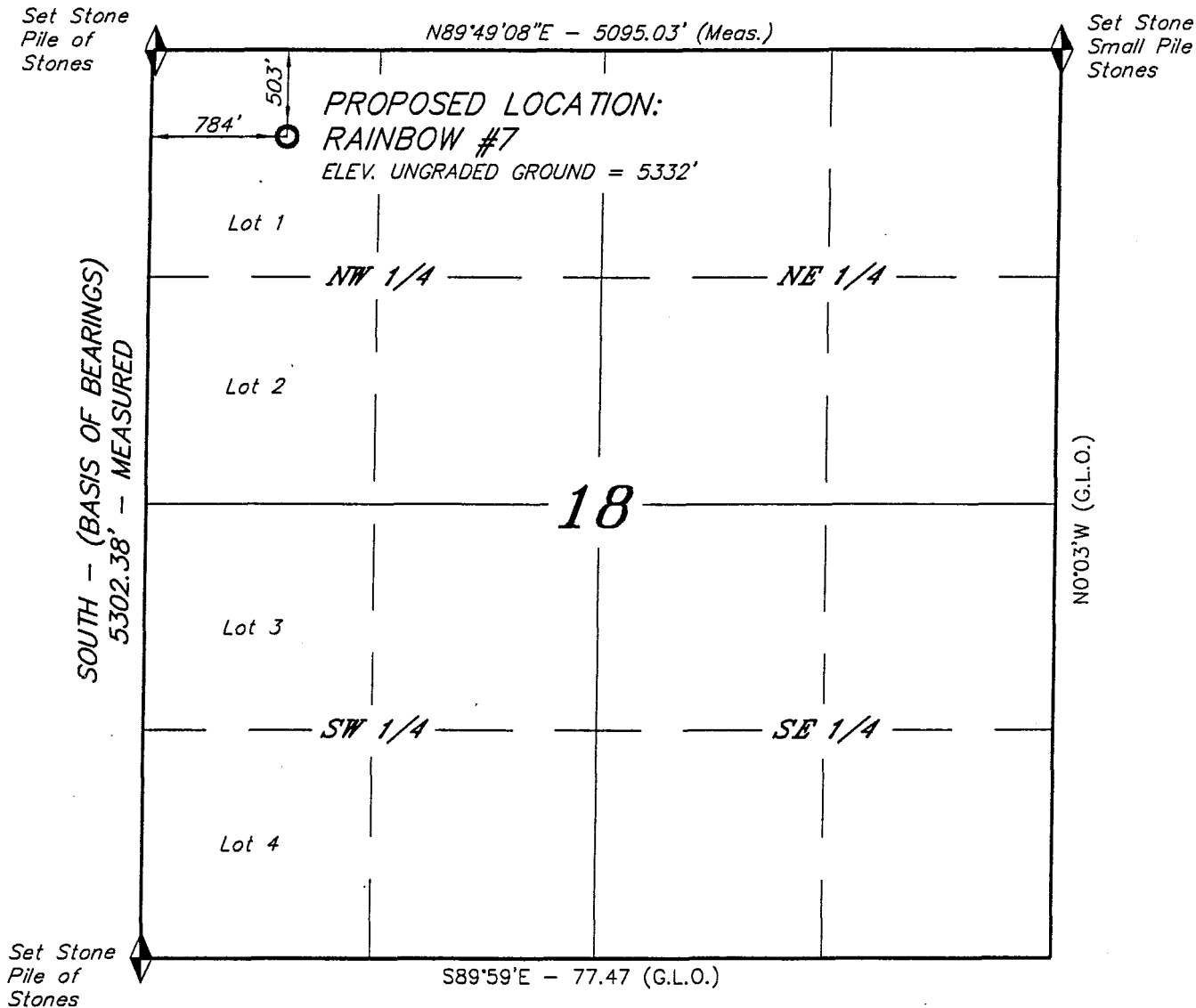
Title 18 U.S.C. Section 1001. makes it a crime for any person knowingly and willfully to make to any department or agency of the

TOTAL P.01

UNITED UTILITIES INC.

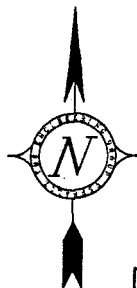
WELL LOCATION, RAINBOW #7, LOCATED
AS SHOWN IN LOT 1 OF SECTION 18,
T11S, R24E, S.L.B.&M., UTAH
COUNTY, UTAH.

T 1 1 S, R 2 4 E, S. L. B. & M.



- ◆ = SECTION CORNERS
LOCATED
- = PROPOSED LOCATION

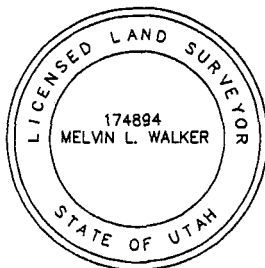
THIS IS TO CERTIFY THAT THE PLAT HEREON WAS PREPARED FROM FIELD NOTES
OF ACTUAL SURVEYS MADE BY ME OR UNDER MY DIRECT SUPERVISION. THAT
THE SAME HAS BEEN CORRECTLY SURVEYED AND STAKED ON THE GROUND AS
SHOWN ON THIS PLAT AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.



BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER
OF SECTION 18, T11S, R24E, S.L.B.&M.
TAKEN FROM THE RAINBOW, U.S.G.S, 7.5
MINUTE QUADRANGLE. ELEVATION IS SHOWN
AS BEING 5643 FEET.

MELVIN L. WALKER
REGISTERED LAND SURVEYOR
REGISTRATION NO. 174894
STATE OF UTAH



FVA

Freston Ostler Vernon & Associates, Inc.
The Engineering Group

P.O. Box 1756, 168 North Ternal Avenue, Suite 2 Ternal, Utah 84073
Telephone: (801) 759-0041 Fax: (801) 759-1465 Lab: (801) 751-8113

DATE SURVEYED: 5-23-95	DRAWN BY: R.E.H.
SURVEYED BY: M.W. R.H.	DATE DRAWN: 5-26-95
WEATHER: COOL	NOTES:
SCALE: 1" = 1000'	FILE: RAINBOW7

APPLICATION FOR PERMIT TO DRILL

UNITED UTILITIES CORPORATION

Lease UTU-0529, Rainbow Unit #7
784' FWL & 503' FNL, Section 18, T11S, R24E
Uintah County, Utah

Drilling Prognosis

1. Estimated Tops of Important Geologic Markers

Green River	Surface	Mesaverde	4,294'
Wasatch	3,781'	Total Depth	4,500'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations

Water:	Surface to T.D.
Oil & Gas:	Green River
	Wasatch
	Mesaverde

If any shallow water zones are encountered, they will be adequately protected and reported. All potentially productive hydrocarbon zones will be cemented off.

3. Pressure Control Equipment - Schematic Attached

1

A. Type: Double Gate Hydraulic with Annular Preventer (Hydril).

The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Drilling spool with two (2) side outlets (choke side 3-inch minimum, killside 2-inch minimum).
4. Kill line (2-inch minimum).
5. Two (2) kill line valves, one of which will be a check valve (2-inch

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- minimum).
- 6. 3-inch (minimum) choke line.
- 7. Two (2) choke line valves (minimum).
- 8. Two (2) adjustable chokes.
- 9. Pressure gauge on choke manifold.
- 10. Upper kelly cock valve with handle available.
- 11. Safety valve and subs to fit all drill strings in use.
- 12. Fill up line above the uppermost preventer.

B. Pressure Rating: 3,000 psi

C. Testing Procedure:

Annular Preventer (Hydril)

At a minimum, the Annular Preventer will be pressure tested to 50% of the rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

- 1. When the annular preventer is initially installed;
- 2. Whenever any seal subject to test pressure is broken;
- 3. Following related repair; and
- 4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

- 1. When the BOP is initially installed;
- 2. Whenever any seal subject to test pressure is broken;

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3. Following related repairs; and
4. At thirty (30) day intervals.

Chart recorders will be used for all pressure tests. Test charts, with individual test results identified, will be maintained on location while drilling and available for inspection. In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day.

All BOP drills and tests will be recorded in the LADC driller's log.

D. Choke Manifold Equipment:

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Accumulator:

The accumulator will have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles which meet the manufacturer's specifications will be used as the backup to the required independent power source. The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits specified in Onshore Operating Order #2.

F. Miscellaneous Information:

The Blow out preventer and related pressure control equipment will be installed, tested, and maintained in compliance with the specifications in and requirements of Onshore Operating Order #2.

The choke manifold and BOP extension rods with hand wheels will be located outside the rig substructure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller. Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill the hole.

A flare line will be installed after the choke manifold, extending 100 feet (minimum) from the center of the drill hole to a separate flare pit.

4. The Proposed Casing and Cementing Program - All New

Application for Permit to Drill
Rainbow Unit #7

A. Casing Program

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade Joint</u>	<u>Depth Set</u>
12 1/4"	9 5/8"	36.0#	K-55 ST&C	0 - 250'
7 7/8"	4 1/2"	10.5#	M-50 ST&C	0- 4500'

All casing strings below the conductor will be pressure tested to 0.22 psi/foot, or 1,500 psi (not to exceed 70%) of the internal yield strength of the casing, whichever is greater, after cementing and prior to drilling out from under the casing shoe.

On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe will be performed, if required by the Authorized Officer, Bureau of Land Management. The formation at the shoe will be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at a total depth of the well. This test will be performed before drilling more than twenty (20) feet of new hole.

B. Cementing Program

Surface Casing: 160 sx Class "G" + 0.25#/sk Cello-Seal + 2.0% CaCl₂, circulated to surface.

Production Casing: Lead with 250 sx Class "G" + 16% gel (bentonite) + 3% salt + 10#/sk Gilsonite, followed by 585 sx Class "G" + 10% gypsum + 10% salt. Actual cement volumes will be determined from caliper log adding 10% excess to assure a cement top of at least 200 feet above the top of the Mahogany oil shale zone.

5. Mud Program - Visual Monitoring

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0' - 2,500'	Fresh Water	8.4-9.0	27-30	No Control
2,500' - T.D.'	LSND	8.5-9.5	35- 45	8-10 cc's

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

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6. Evaluation Program

Logs: High Resolution Resistivity - GR - 4,500' - 250'
CNL/FDC - Cal-SP - 4,500' - 250'

DST's: None anticipated.

Cores: None anticipated

Evaluation program may change at the discretion of the wellsite geologist, with approval of the Authorized Officer, Vernal District Office, Bureau of Land Management.

Stimulation: No stimulation or frac treatment has been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all completion activities.

Whether the well is completed as a dry hole or as a producer, Well Completion and Recompletion report and Log (Form 3160-4) will be submitted to the Resource Area Officer no later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two (2) copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, work over, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Area Manager, Vernal District Office, Bureau of Land Management.

7. Abnormal conditions

No abnormal temperatures or pressures are anticipated. No H₂S has been reported or is known to exist from previous drilling in this area at this depth.

Maximum anticipated bottom hole pressure equals approximately 1,953 psi (calculated at 0.434 psi/foot) and maximum anticipated surface pressure equals approximately 990 psi (anticipated bottom hole pressure minus partially evacuated hole pressure calculated at 0.22 psi/foot).

8. Anticipated Starting Dates and Notification of Operations

A. Anticipated Starting Dates:

Application for Permit to Drill
Rainbow Unit #7

Anticipated Commencement Date	:	August 8, 1996
Drilling Days	:	Approximately 8 days
Completion Days	:	Approximately 14 days

B. Notification of Operations:

The spud date will be reported orally to the Branch of Inspection/Enforcement at least 24 hours prior to spudding, unless otherwise required in the site specific conditions of approval, and will be followed up with a report on Form 3160-5 confirming the date of spud.

All wells, whether drilling, producing, or abandoned will be identified in accordance with 43 CFR 3162.6. This requires the name of the operator, the lease number, the well number, and the location of the well.

A progress report will be filed a minimum of once a month starting with the month in which the well was spudded and continuing until the well is completed. The report will be filed by the 25th day of each month on form 3160-5. The report will include the spud date, casing information such as size, grade, weight, hole size, and setting depth, amount and type of cement used, top of cement, depth of cementing tools, casing test method(s), intervals tested, perforated, acidized, fractured, and results obtained and the dates of all work done.

Spills, blowouts, fires, leaks, accidents, theft, or any other unusual occurrences will be promptly reported to the Resource Area Office in accordance with NTL-3A.

Any venting or flaring of gas during initial well evaluation will be subject to the provisions of NTL-4A.

In the event abandonment of the hole is desired, an oral request may be granted by the Resources Area Office but must be followed with a "notice of Intention to Abandon" (Form 3160-5) within fifteen (15) days of receiving oral permission to plug and abandon.

A "Subsequent Report of Abandonment" (Form 3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow up report on Form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for

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final inspection. If the location is on private surface, a "Landowner Acceptance of Reclamation" letter will be attached to this "Sundry Notice."

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

The following information will be permanently placed on the marker with a plate, cap, or beaded on with a welding torch: Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and the Federal Lease Number.

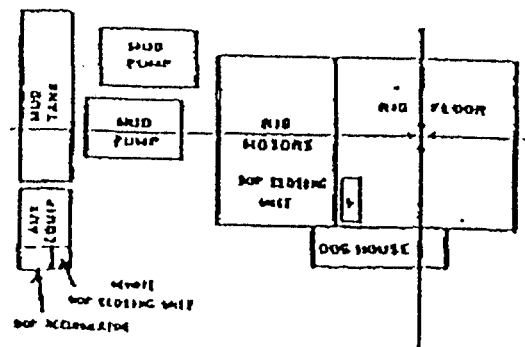
Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than ninety (90) days, the operator will notify the Authorized Officer by letter or "Sundry Notice", of the date on which such production has begun or resumed. The notification will provide as a minimum, the following information items;

- a. Operator name, address, and telephone number
- b. Well name and number
- c. Well location: 1/4, 1/4, Section, Township, Range, P.M.
- d. Date well was placed in a producing status
- e. The nature of the wells production, i.e.: crude oil casing gas, or natural gas and entrained liquid hydrocarbons
- f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-Federal or non-Indian land category, i.e.: state or private.
- g. As appropriate, the Communitization agreement number, the unit agreement name, number, and participating area name.

FIGURE No. 1

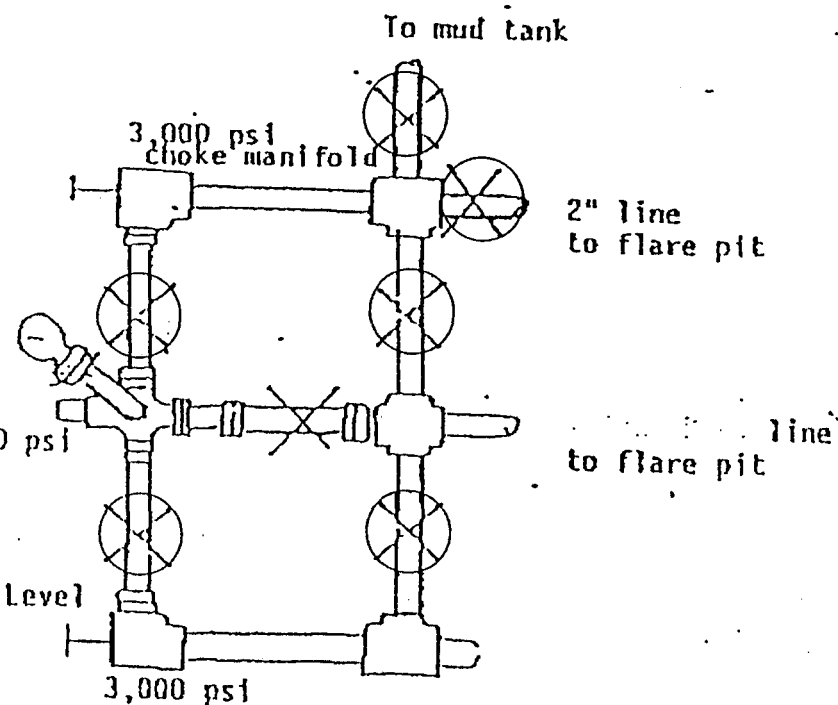
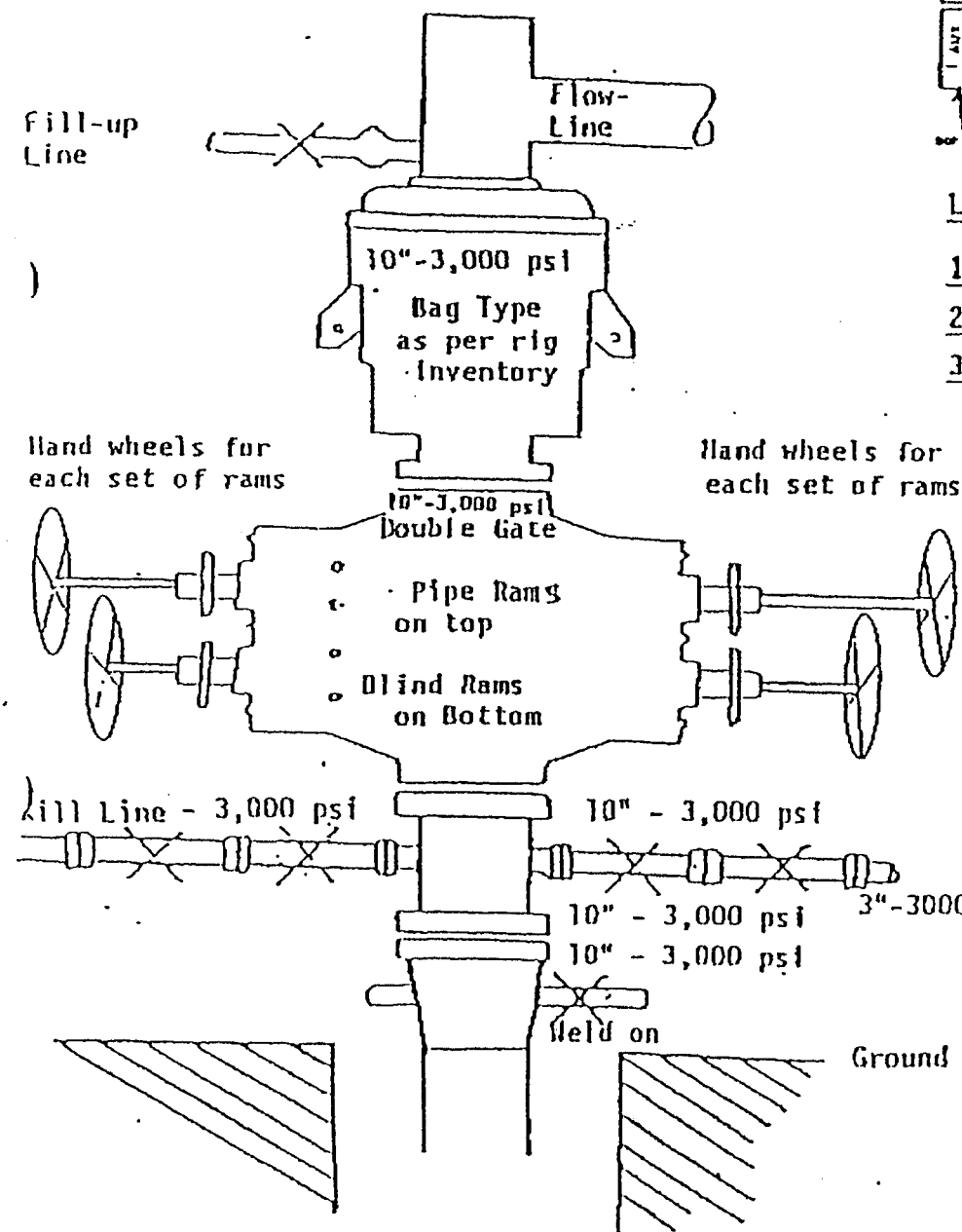
3000 psi

**DOUBLE GATE BAG TYPE BOP STACK
W/HYDRAULIC CONTROLS AND CHOKE
MANIFOLD FOR:**



LOCATION OF:

1. BOP controls on rig floor.
2. BOP remote controls.
3. BOP accumulator.



Application for Permit to Drill
Rainbow Unit #7

**SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

Company/Operator: United Utilities Corporation
Well Name & Number: Rainbow Unit #7
Lease Number: UTU-0529
Location: 784' FWL & 503' FNL, Section 18, T11S, R24E
Uintah County, Utah
Surface Ownership: United States of America

NOTIFICATION REQUIREMENTS

Location Construction: Forty-eight (48) hours prior to construction of access and roads and location.

Location Completion: Prior to moving in the drilling rig

Spud Notice: At least twenty-four (24) hours prior to spudding the well

Casing String & Cementing: Twenty-four (24) hours prior to running casing and cementing all strings.

BOP & Related Tests: Twenty-four (24) hours prior to initiating pressure tests.

First Production Notice: Within five (5) business days after a new well begins or production resumes after the well has been off production for more than ninety (90) days.

1. Existing Roads: Refer to Map "A" (shown in YELLOW)
 - A. The proposed well site is staked.
 - B. To reach the location continue south on HWY. 45 to MILE marker "O". Turn left (Baxter Pass & other signs) onto the secondary road. Continue on the main road past the corrals at Hell's Canyon "Y" and ~~turn right~~. Stay on the main road through Watson taking the right-hand turn at Asphalt Wash.. Travel 5.9 miles to the west fork of Asphalt Wash and turn left. Proceed 1.0 mile to the location right and proceed approximately 1.6 to the well site.
 - C. Access roads - refer to Map "A".
 - D. Access roads within a one mile radius - refer to Map "A".

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- E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location.
- 2. Planned Access Roads:
 - A. No new road will be required for the Rainbow Unit #7
- 3. Location of Existing Wells Within a Two-Mile Radius:
 - A. Water wells -

SW SE	Section 13, T11S, R24E
NE SW	Section 18, T11S, R24E
 - B. Abandoned wells -

SE NW	Section 19, T11S, R24E
NE SW	Section 7, T11S, T24E
 - C. Temporarily abandoned wells - None
 - D. Disposal wells - None.
 - E. Drilling wells - None.
 - F. Producing wells -

NE SE	Section 11, T11S, R23E
SE SE	Section 12, T11S, T23E
 - G. Shut-in wells -

NE SW	Section 18, T11S, R24E
NE SW	Section 8, T11S, R24E
SW NE	Section 13, T11S, R23E
SE SE	Section 14, T11S, R23E
NE SW	Section 14, T11S, R23E
NE NE	Section 23, T11S, R23E
 - H. Injection wells - None.
 - I. Monitoring wells - None.
- 4. Location of Existing and/or Proposed Facilities Owned by United Utilities Corporation Within a One Mile Radius:
 - A. Existing

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1. Tank batteries - None
2. Production facilities - None
3. Oil gathering lines - None.
4. Gas gathering lines - None

B. New Facilities Contemplated

1. All production facilities will be located on the disturbed (cut) portion of the well pad and at a minimum of fifteen (15) feet from the toe of the back cut.
2. Production facilities will require an area approximately 300' X 150'. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) for approval prior to commencement of installation operations. All loading lines will be placed inside the berm surrounding the tank battery. All off lease storage, off lease measurement, or commingling on lease or off lease will have prior written approval from the AO. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and within 500 feet downstream of the meter run or any production facilities. Meter runs will be housed. And/or fenced. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.
3. Production facilities will be accommodated on the well pad. Construction materials needed for installation of the production facilities will be obtained from the site; any additional materials needed will be purchased from a local supplier as required. A dike will be constructed completely around the production tanks. The dikes will be constructed of compacted subsoil, be impervious, hold the capacity of the largest tank plus one foot of free board, and be independent of the back cut.

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Rainbow Unit #7

4. All permanent above the ground structures, tank batteries, etc., that will remain longer than six months will be painted Desert Brown (10 YR 6/3). The exception being that safety rules and regulations will be complied with where special safety colors are required.
 5. The pipeline for Rainbow Unit #7 will be laid to the east to tie into the gathering system in approximately the NW NW Section 8, T11S, R24E. Refer to Map "B".
- C. The production pit will be fenced "Sheep-Tight" with woven wire and two (2) top stands of barbed wire held in place by side posts and wooden corner "H" braces in order to protect livestock and wildlife.
- D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road and any additional areas which may be specified in the approved Application for Permit to Drill.
- E. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling, and seeding with: Fourwing Saltbrush (6 lbs/acre); Beardless Bluebunch Wheat grass (5 lbs/acre); Yellow Sweet clover (1 lbs/acre) Total of 12 lbs/acre.
5. Location and Type of Water Supply:
- Water to be used for drilling this well will be hauled by truck over road marked in green on Map "A".
- A. The primary water source will be under State of Utah Water Right Number 49-1547 and Water Right Number 49-1548:
From Three (3) area wells:
- Rainbow Unit #2-A
NESW, S 18, T11S, R24E
- Rainbow Unit #5
S/2, S 6, T11S, R24E
- Rockhouse Unit #5-A
SW SE, S 13, T11S, R23E
- B. The secondary water source will be:
- Bitter Creek
- C. The tertiary water source will be:

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Purchased from Vernal City water system and hauled to well site on the roads shown on Maps "A" from Bonanza, Utah.

6. Source of Construction Materials:

- A. No construction materials will be needed for well pad construction; surface and subsurface soils will be sufficient. Refer to Item #2F regarding construction materials which may be required on the access road.
- B. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate Surface Management Agency.
- C. If production is established, any construction materials required for surfacing of the access road and installation of production facilities will be purchased from a local supplier having an approved (permitted) source of materials in the area.
- D. No new access roads for construction materials will be required.

7. Methods of Handling Waste Materials:

- A. Cuttings - the cuttings will be deposited in the reserve pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve pit and allowed to evaporate. The reserve pit will be designed to prevent the collection of surface runoff and will be constructed with a minimum of one half ($\frac{1}{2}$) the total depth below the original ground level at the lowest point in the pit.
- C. Produced fluids - hydrocarbons produced during completion operations will be placed in test tanks on the location. Water produced during completion operations will be put into the reserve pit according to Onshore Operating Order #7 (formerly NTL-2B). At first production, produced water will be confined to the reserve pit or storage tanks for a period not to exceed ninety (90) days. During that 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted to the AO for approval. Any spills of oil, gas, salt water, or other potentially hazardous materials will be cleaned up and immediately removed to an approved disposal site.
- D. Sewage - portable, self-contained chemical toilets will be provided for human

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Rainbow Unit #7

waste disposal. The toilet holding tanks will be pumped as necessary, and the contents thereof disposed of at an approved sewage disposal facility under permit #91-0120 from Uintah District Health Department.

- E. Garbage and other waste material - garbage, trash, and other waste material will be collected in a portable, self contained and fully enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be placed in the reserve pit. No burning will be allowed.
- F. Immediately after removal of the drilling rig, all debris and waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced during drilling operations and the fencing maintained until such time as the pits are backfilled.

8. Ancillary Facilities:

None anticipated.

9. Wellsite Layout:

- A. Figure #1 shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location (refer to Figure #2). A minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site. Refer to Figure #1 for the location of the topsoil stockpiles.
- B. Figure #1 is a diagram showing the rig layout. No permanent living facilities are planned. There will be approximately four (4) trailers on location: one each for the drilling engineer, geologist, mud logger, and toolpusher.
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized officer via Sundry Notice (Form 3160-5) for approval prior to the commencement of installation operations (Refer to Item #4B for additional information in this regard).
- D. If porous soil or fractured rock is encountered during the excavation of the reserve pit, an inspection will be requested in order to ascertain the necessity of the installation of a pit liner. In the event of competent soils, a pit liner will not be installed.

Application for Permit to Drill
Rainbow Unit #7

10. Plans for Reclamation of the Surface:

- A. Backfilling, leveling, and recontouring are planned as soon as the reserve pit has dried. All waste materials will be disposed of immediately upon termination of drilling and completion activities. If production is established, the unneeded areas of the location will be reclaimed as soon as the reserve pit has dried. For production, the fill slopes will be reduced from a 1.5:1 slope to a 4:1 slope and the cut slopes will be reduced from a 2:1 slope to a 4:1 slope top by pushing the fill material back into the cut.
- B. Upon completion of backfilling, leveling and recontouring all disturbed surfaces (including the access road and well pad areas) will be scarified (ripped) and the stockpiled topsoil will be evenly spread over the reclaimed area(s). The seed bed will be prepared by disking on the contour to an approximate depth of four (4) to six (6) inches, leaving no depressions that would trap water or form ponds.
- C. All disturbed surfaces (including the well pad and access road) will be reseeded using a seed mixture recommended by the Authorized Officer, Bureau of Land Management.

Seed will be drilled on the contour with the seed drill set at a depth of one half ($\frac{1}{2}$) inch. Fall seeding will be completed after September 1 and prior to ground frost. Spring seeding, to be effective, will be completed after the frost has left the ground and prior to May 15.

- D. Three sides of the reserve pit will be fenced "sheep tight" prior to commencement of drilling operations and the fourth side will be fenced immediately upon removal of the drilling rig. Said fencing will consist of woven wire with two (2) top strands of barbed wire held in place with side posts and wooden corner "H" braces in order to protect livestock and wildlife. Please refer to item #4C (Page #2) for additional information regarding the actual fencing specifications.
- E. If any oil is on the pits and is not immediately removed after operations cease, the pit containing the oil or other adverse substance(s) will be flagged overhead or covered with mesh.
- F. Reclamation operations will begin after the drilling rig has been removed. Removal of oil or other adverse substances will begin immediately or the affected area(s) will be flagged and/or fenced. Other clean up will be done as

Application for Permit to Drill
Rainbow Unit #7

needed. Reseeding activities are considered best in the Fall, 1996, unless requested otherwise.

11. Surface Ownership:

The well site and proposed access road route are situated on surface estate owned by the United States of America and administered by:

Area Manager
Vernal District Office
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078

12. Other Information:

- A. Topography: Rolling hills and shallow valleys.
- B. Soil characteristics: Rocky and sandy shale.
- C. Flora: +/- 30% coverage of land with sage brush, bunch grass, prickly pear cactus, etc.
- D. Fauna: Domestic sheep. Mule deer, elk, rabbits, coyotes and rodents.
- E. Surface use: Wildlife management and livestock grazing.
- F. Surface ownership: Location and roads Federal.
- G. Proximity of Water, Occupied Dwellings, Archaeological, Historical, or Cultural Sites:
 - 1. The closest source of permanent water is the White River, located approximately 5 miles to the north.
 - 2. Occupied dwellings: None.
 - 3. There are no known archaeological, historical, or cultural sites, which are potentially eligible for inclusion in the National Register of Historical Places, that will be disturbed by this proposed drilling operation.

United Utilities Corporation will be responsible for informing all persons associated with this project that they shall be subject to prosecution for damaging, altering, excavating or removing any archaeological, historical, or vertebrate fossil objects or site(s).

Application for Permit to Drill
Rainbow Unit #7

If archaeological, historical, or vertebrate fossil materials are discovered, United Utilities Corporation will suspend all operations that further disturb such materials and immediately contact the Authorized Officer, Bureau of Land Management. Operations will not resume until written authorization to proceed is issued by the Area Manager, Vernal Resource Area Office, Bureau of Land Management.

Within five (5) working days, the Authorized Officer will evaluate the discovery and inform United Utilities Corporation of actions that will be necessary to prevent loss of significant cultural or scientific values. United Utilities Corporation will be responsible for the cost of any mitigation required by the Authorized Officer. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, United Utilities Corporation will be allowed to resume operations.

13. Lessee's or Operator's Representative and Certification:

Representative

Terry J. Cox, Consulting Engineer
Suite 1120
1050 17th Street
Denver, Colorado 80265
Phone (303) 892-9120 (801) 828-8771

Durrell Karren, Sr. V.P. Exploration & Production
625 North 100 West
Vernal, Utah 84078
Phone (808) 789-2772 (801) 828-8516

Contact the above for any additional information which may be required for approval of this Application for Permit to Drill.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

United Utilities Corporation will be fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative(s) to ensure compliance.

Application for Permit to Drill
Rainbow Unit #7

The dirt contractor will be provided with a copy of the Surface Use and Operations Plan from the approved Application for Permit to Drill.

SELF CERTIFICATION FOR APPLICATION FOR PERMIT TO DRILL

I hereby certify that United Utilities Corporation is authorized by the proper Lease Interest Owners to conduct lease operations associated with the Application for Permit to Drill the Rainbow Unit #7 NW 1/4 NW 1/4 Section 18, T11S, R24E, Lease UTU-0529. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by United Utilities Corporation under Statewide Bond #UT-1028 and United Utilities Corporation will be responsible for compliance with all terms and conditions of that portion of the lease associated with this Application for Permit to Drill.

HAZARDOUS MATERIAL DECLARATION FOR APPLICATION FOR PERMIT

No chemical subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, stored, transported, or disposed of annually in association with the drilling of the Rainbow Unit #7. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities will be used, produced, stored, or disposed of in association with the drilling of this well.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by United Utilities Corporation, their contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

7/26/94
Date

Terry J. Cox
Terry J. Cox
Agent for United Utilities Corporation

**SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

Company/Operator:	United Utilities Corporation
Well Name & Number:	Rainbow Unit #7
Lease Number:	UTU-0529
Location:	784' FWL & 503' FNL, Section 18, T11S, R24E Uintah County, Utah
Surface Ownership:	United States of America

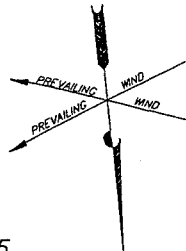
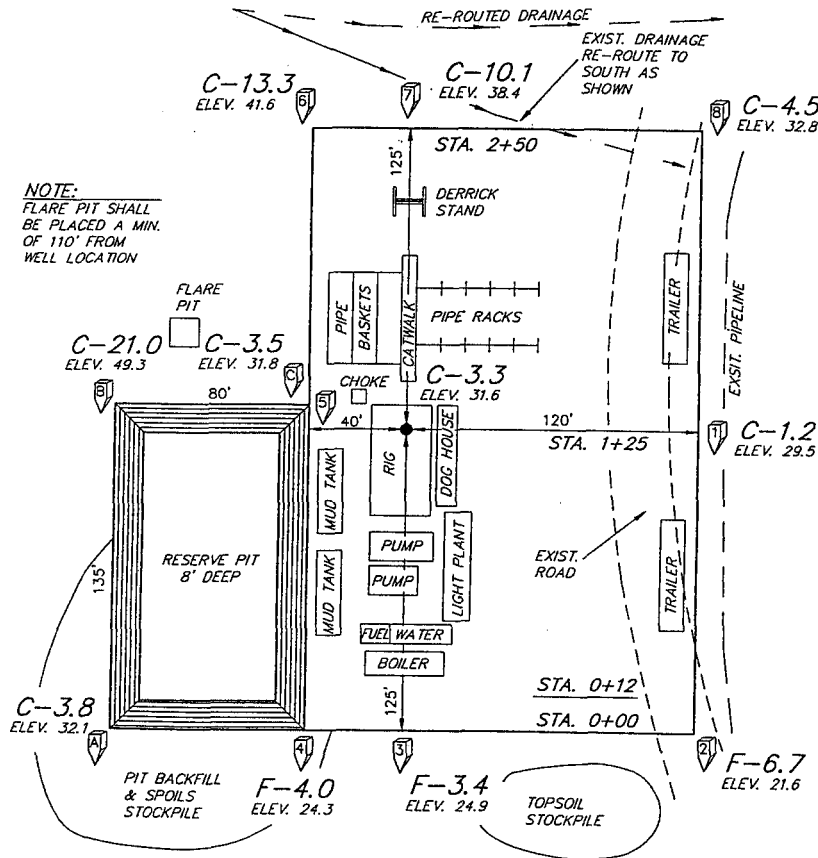
NOTIFICATION REQUIREMENTS

Location Construction:	Forty-eight (48) hours prior to construction of access and roads and location.
Location Completion:	Prior to moving in the drilling rig
Spud Notice:	At least twenty-four (24) hours prior to spudding the well
Casing String & Cementing:	Twenty-four (24) hours prior to running casing and cementing all strings.
BOP & Related Tests:	Twenty-four (24) hours prior to initiating pressure tests.
First Production Notice:	Within five (5) business days after a new well begins or production resumes after the well has been off production for more than ninety (90) days.

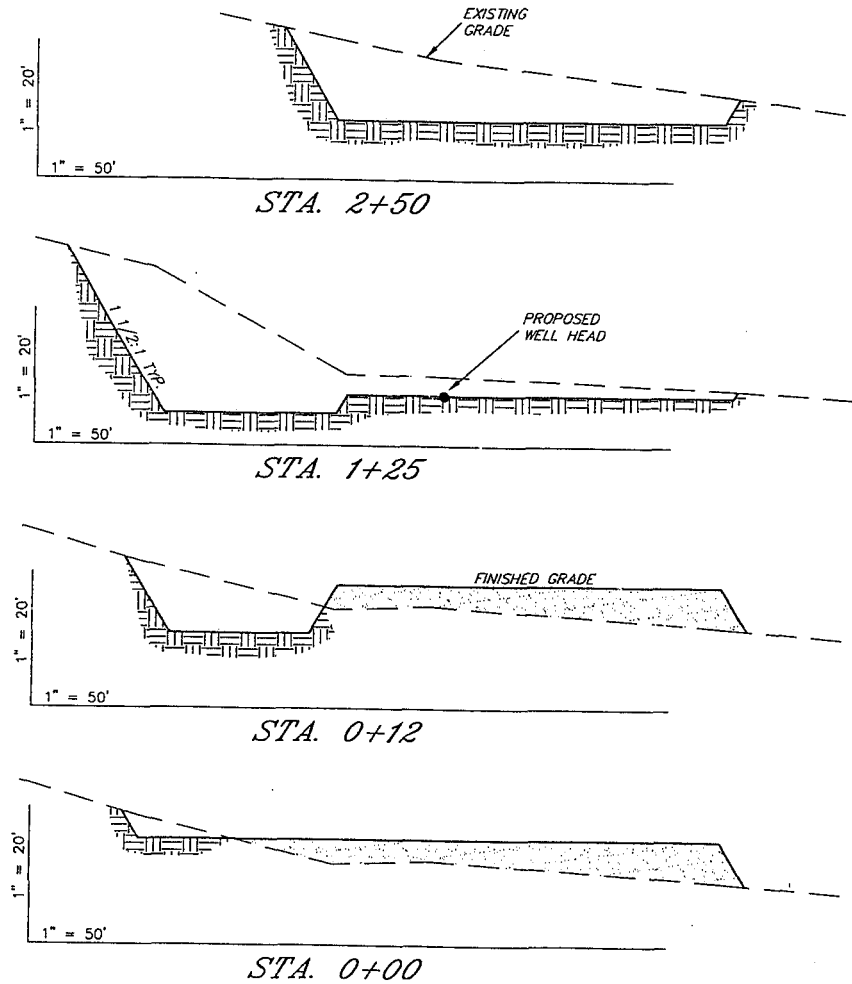
UNITED UTILITIES INC.

RAINBOW #7
SECTION 18, T11S, R24E, S.L.B.&M.
503' FNL 784' FWL

NOTE:
FLARE PIT SHALL
BE PLACED A MIN.
OF 110' FROM
WELL LOCATION



SCALE: 1" = 50'
DRAWN BY: R.E.H.
DATE: 5-31-95



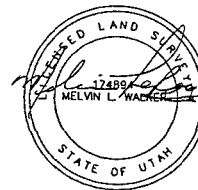
REFERENCE POINTS

RP 175' NORTH 5321.77'
RP 225' NORTH 5319.93'
RP 175' EAST 5353.78'
RP 225' EAST 5331.95'

APPROXIMATE YARDAGES

6" TOPSOIL = 940 CU. YDS.
RESERVE PIT YARDAGE = 2480 CU. YDS.
TOTAL CUT = 8760 CU. YDS.
TOTAL FILL = 2130 CU. YDS.
EXCESS MATERIAL = 6630 CU. YDS.

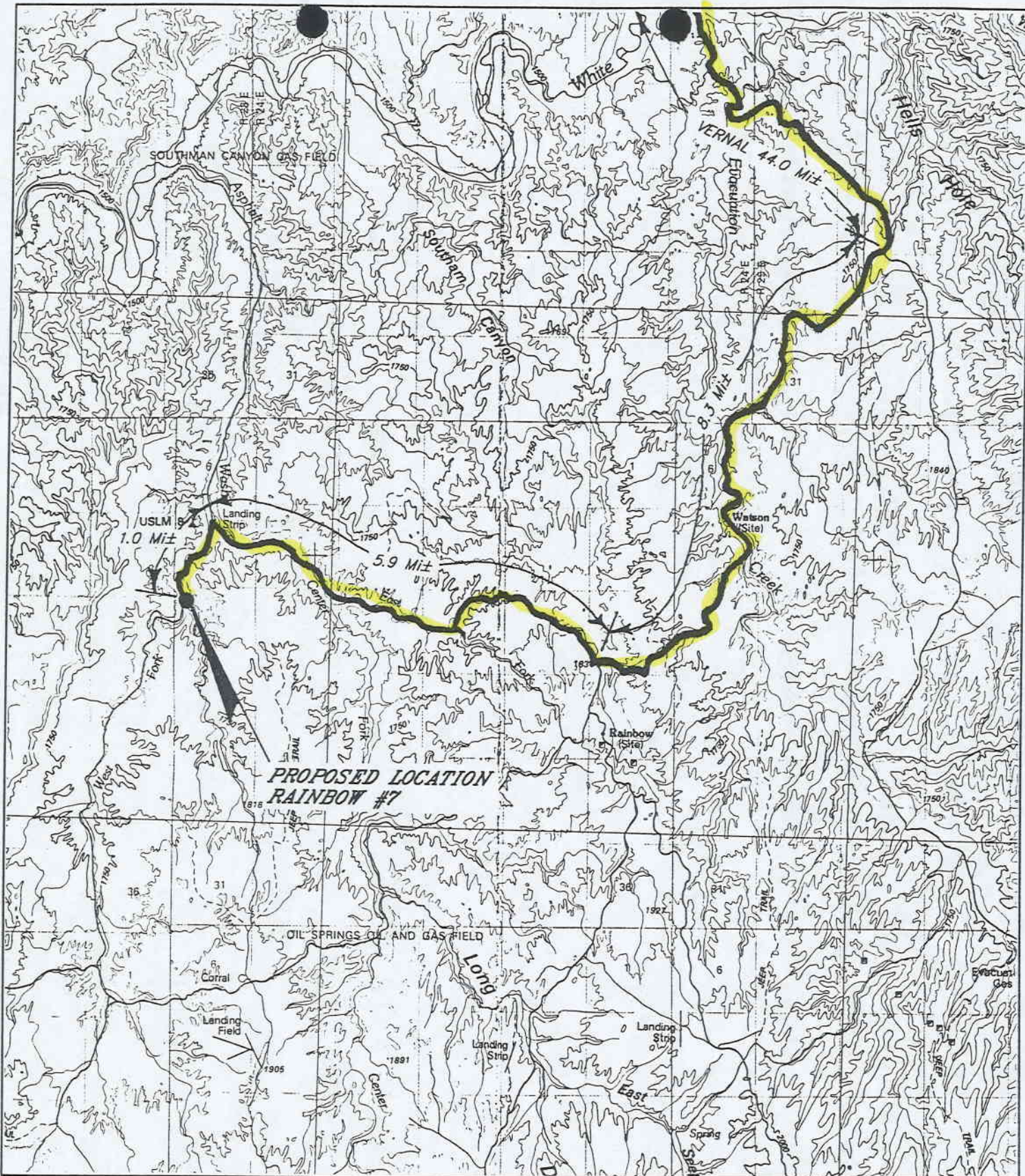
ELEV. UNGRADED GROUND = 5331.6'
ELEV. FINISHED GRADE = 5328.3



PREPARED BY:
FOA Preston Ostler Vernon & Associates, Inc.
The Engineering Group

P.O. Box 1705, 180 North Fremont Avenue, Suite 2, Fremont, Utah 84008
Telephone (801) 788-0041 Fax (801) 788-4400 Lab (801) 781-2115
(Formerly Utah Engineering, Inc.)

TE



UNITED UTILITIES INC.

FOA Preston Ostler Vernon & Associates, Inc.
The Engineering Group

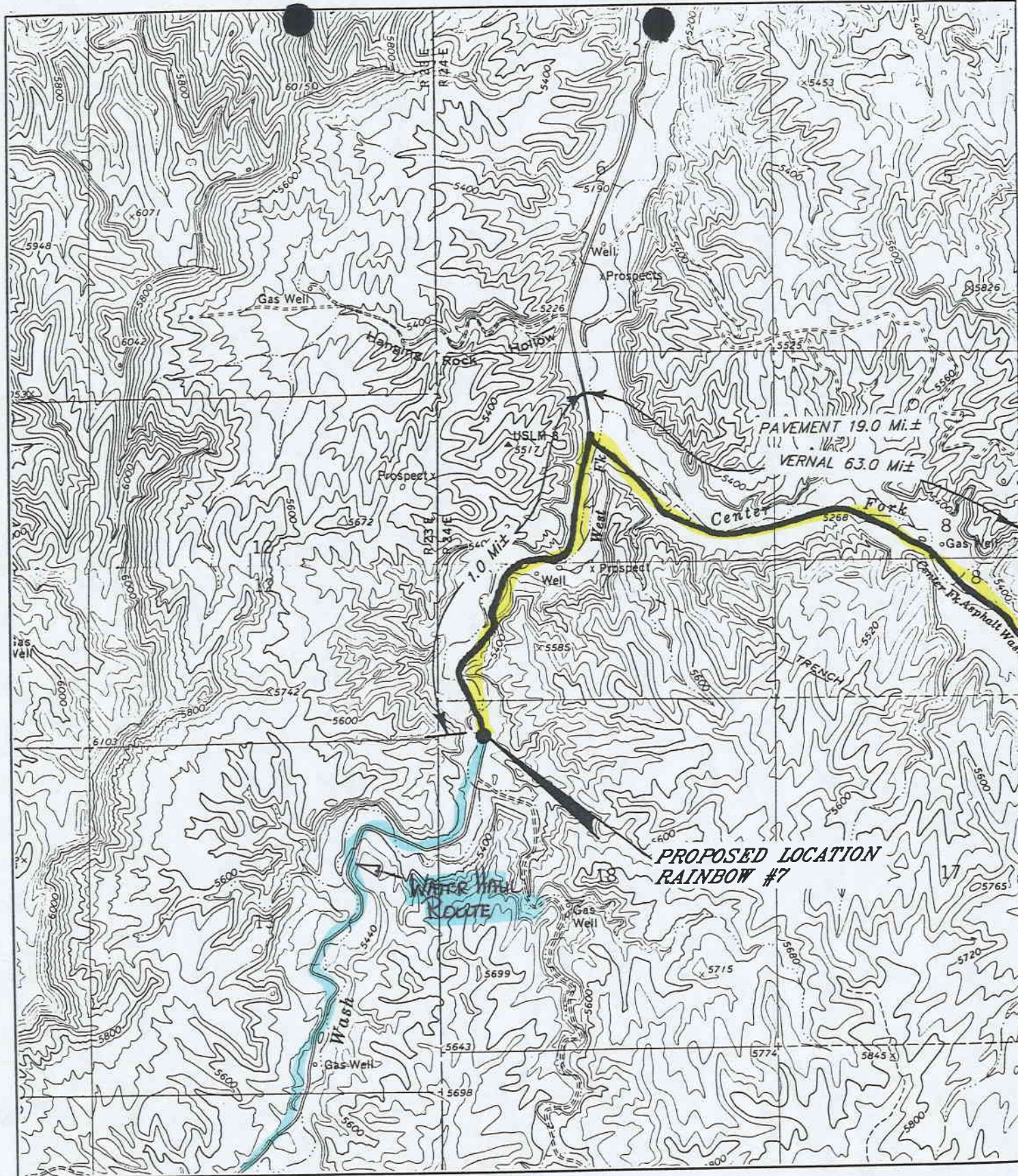


P.O. Box 1736, 1000 North Central Avenue, Suite 2, Vernal, Utah 84058
Telephone: (801) 784-0041 Fax: (801) 784-0042 Lab: (801) 784-0112

RAINBOW #7
SECTION 18, T11S, R24E, S.L.B.&M.
503' FNL 784' FWL



TOPO MAP "A"



UNITED UTILITIES INC.

RAINBOW #7
SECTION 18, T11S, R24E, S.L.B.&M.
503' FNL 784' FWL

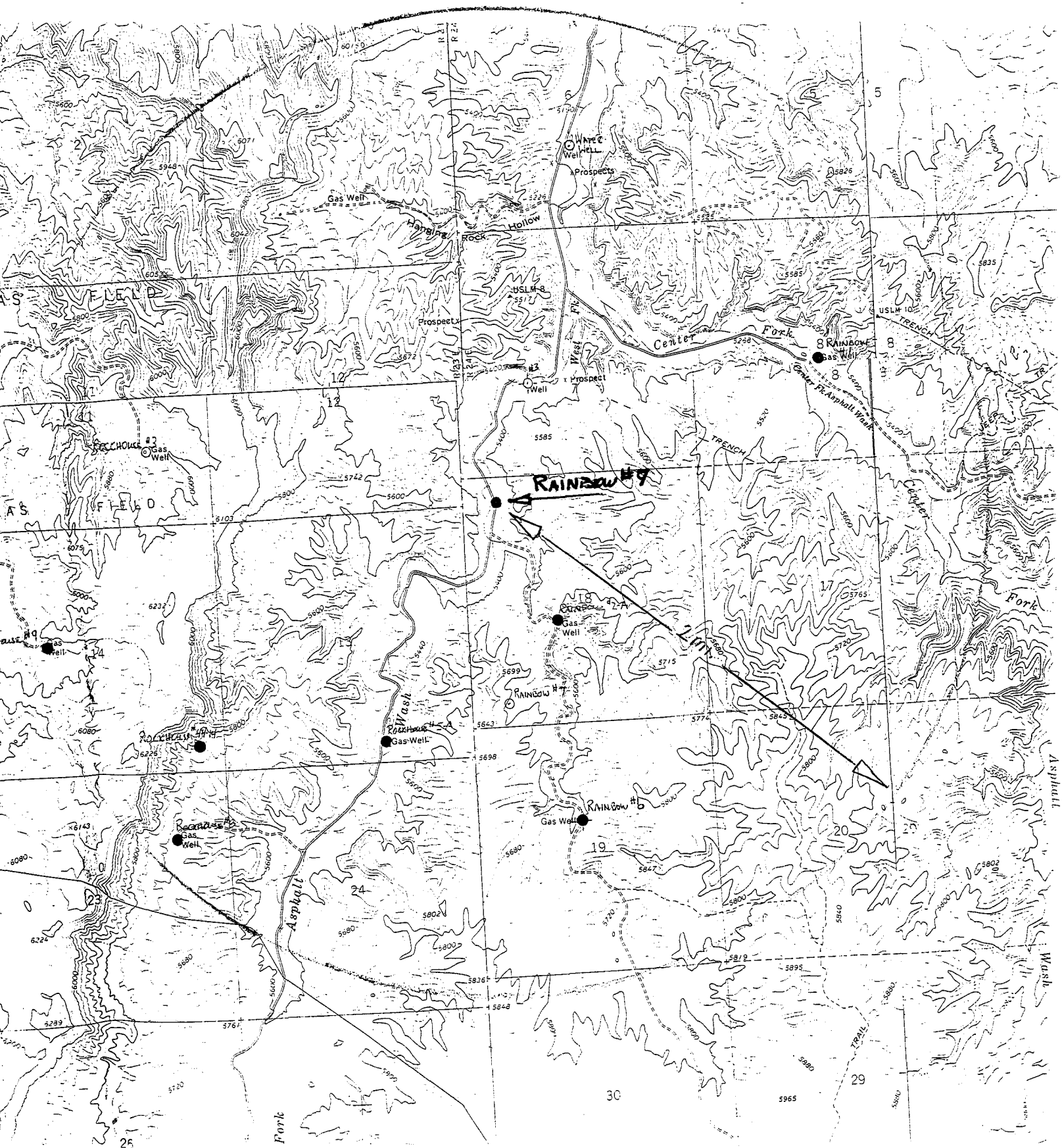
FOA Freston Ostler Vernon & Associates, Inc.
The Engineering Group

P.O. Box 1736, 100 North Trench Avenue, Suite 2, Tropic, Utah 84079
Telephone: (801) 789-0541 Fax: (801) 789-6480 Lab: (801) 781-2113



TOPO MAP "B"
SCALE: 1" = 2000'

TE



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/31/96

API NO. ASSIGNED: 43-047-32778

WELL NAME: RAINBOW UNIT 7
OPERATOR: UNITED UTILITIES CORP (N6360)

PROPOSED LOCATION: 24
NWNW 18 - T11S - R23E
SURFACE: 0784-FWL-0502-FNL
BOTTOM: 0784-FWL-0502-FNL
UINTAH COUNTY
ROCKHOUSE FIELD (670)

LEASE TYPE: FED
LEASE NUMBER: UTU-0529

PROPOSED PRODUCING FORMATION: WSMVD

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☐ Bond: Federal[] State[] Fee[]
(Number _____)
☒ Potash (Y/N)
☒ Oil shale (Y/N)
☒ Water permit
(Number 49-1547, 49-1548)
☒ RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

☒ R649-2-3. Unit: RAINBOW
☒ R649-3-2. General.
☐ R649-3-3. Exception.
☐ Drilling Unit.
Board Cause no: _____
Date: _____

COMMENTS:

STIPULATIONS:

STATE OF UTAH, DIV OF OIL, GAS & MINERALS

Operator: UNITED UTILITIES CORP	Well Name: RAINBOW UNIT 7
Project ID: 43-047-32778	Location: SEC. 18 - T11S - R23E

Design Parameters:

Mud weight (9.50 ppg) : 0.494 psi/ft
 Shut in surface pressure : 1989 psi
 Internal gradient (burst) : 0.052 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using air weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)		Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost	
1	4,500	4.500	10.50	M-50	ST&C	4,500	3.960		
	Collapse Load (psi)	Strgth (psi)	S.F.	Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension Load (kips)	Strgth (kips)	S.F.
1	2221	2650	1.193	2221	3900	1.76	47.25	86	1.82 J

Prepared by : MATTHEWS, Salt Lake City, Utah
 Date : 07-31-1996
 Remarks :

Minimum segment length for the 4,500 foot well is 1,500 feet.

SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 105°F (Surface 74°F , BHT 137°F & temp. gradient 1.400°/100 ft.)

String type: Production

The mud gradient and bottom hole pressures (for burst) are 0.494 psi/ft and 2,221 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.
 Costs for this design are based on a 1987 pricing model. (Version 1.07)

STATE OF UTAH, DIV OF OIL, GAS & MINERALS

Operator: UNITED UTILITIES CORP	Well Name: RAINBOW UNIT 7
Project ID: 43-047-32778	Location: SEC 18 - T11S - R23E

Design Parameters:

Mud weight (9.50 ppg) : 0.494 psi/ft
 Shut in surface pressure : 1989 psi
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 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using air weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)		Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost	
1	4,500	4.500	10.50	M-50	ST&C	4,500	3.960		
	Collapse Load Strgth S.F. (psi) (psi)			Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension Load Strgth S.F. (kips) (kips)		
1	2221	3600	1.621	2221	4580	2.06	47.25	124	2.62 J

Prepared by : MATTHEWS, Salt Lake City, Utah
 Date : 08-12-1996
 Remarks :

WASATCH MESAVERDE

Minimum segment length for the 4,500 foot well is 1,500 feet.

SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 105°F (Surface 74°F , BHT 137°F & temp. gradient 1.400°/100 ft.)

String type: Production

The mud gradient and bottom hole pressures (for burst) are 0.494 psi/ft and 2,221 psi, respectively.

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 Costs for this design are based on a 1987 pricing model. (Version 1.07)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

August 12, 1996

United Utilities Corporation
625 North 100 West
Vernal, Utah 84068

Re: Rainbow Unit 7 Well, 502' FNL, 784' FWL, NW NW, Sec. 18,
T. 11 S., R. 23 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32778.

Sincerely,

R. J. Firth
Associate Director

lwp

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: United Utilities Corporation
Well Name & Number: Rainbow Unit 7
API Number: 43-047-32778
Lease: UTU-0529
Location: NW NW Sec. 18 T. 11 S. R. ~~23~~ 24 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

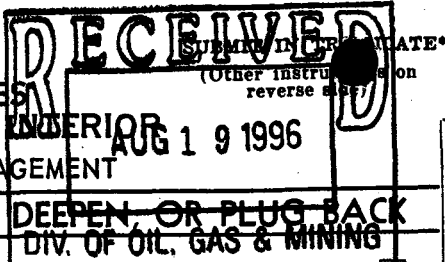
Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews at (801)538-5334 or Mike Hebertson at (801)538-5333.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK
DIV. OF OIL, GAS & MINING

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

United Utilities Corporation

3. ADDRESS OF OPERATOR

625 North 100 West, Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface

784' FWL & 503' FNL Section 18, T11S, R24E

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 59 miles south of Veranl, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

503'

16. NO. OF ACRES IN LEASE

800

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2850'

19. PROPOSED DEPTH

4500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5328' GR

22. APPROX. DATE WORK WILL START*

August 8, 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4	K-55 9-5/8	36#	250'	160 sx to surface
7-7/8	M-50 4-1/2	10.5#	4500'	835 sx to surface

Attachments to this APD:

1. Surveyors location plat
2. Well Control Plan
3. Surface Use and Operating Plan
4. Maps & Diagrams
5. Self certification statement
6. Hazardous materials declaration

RECEIVED

JUL 29 1996

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Durrell Karren

TITLE V.P. Production & Exploration DATE July 26, 1996

(This space for Federal or State office use)

PERMIT NO.

NOTICE OF APPROVAL

APPROVAL DATE

Assistant Field Manager

Mineral Resources

DATE AUG 18 1996

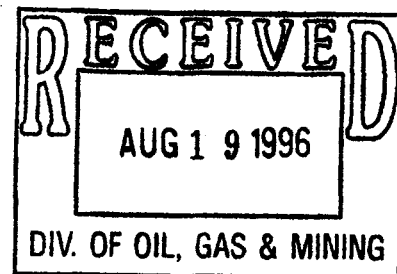
APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL



Company/Operator: United Utilities Corporation

Well Name & Number: Rainbow Unit #7

API Number: 43-047-32778

Lease Number: U - 0529

Location: Lot 1 Sec. 18 T.11S R.24E

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **or to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale, identified at 380 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to ± 180 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Jerry Kenczka (801) 781-1190
Petroleum Engineer

BLM FAX Machine(801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

-The drainage to the south of the location should be diverted into the next drainage to its south in order to protect the location from flash floods. The dirt contractor should consult with Byron Tolman of the Vernal BLM Field Office to determine where the diversion structure should be built.

-Caution signs should be placed on the county road on either side of the location during drilling to warn motorists traveling the road to be careful when passing through the location.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: UNITED UTILITIES

Well Name: RAINBOW UNIT # 7

Api No. 43-047-32778

Section 18 Township 11S Range ^{24E}~~23E~~ County UINTAH

Drilling Contractor _____

Rig #: _____

SPUDDED:

Date: 9/1/96

Time: _____

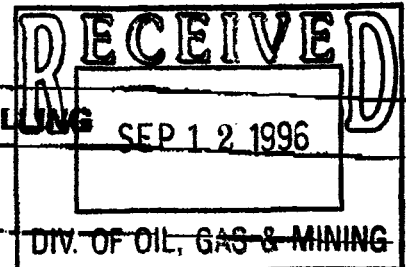
How: DRY HOLE

Drilling will commence: _____

Reported by: D. INGRAM-DOGM

Telephone #: _____

Date: 9/6/96 Signed: FRM



REPORT OF WATER ENCOUNTERED DURING DRILLING

1. Well name and number: Rainbow # 7
API number: 43-047-32778
2. Well Location: OO NW Section 18 Township T11S Range R24E County Uintah
3. Well operator: United Utilities Corp.
Address: 625 N 100 W
Vernal Utah 84078 Phone: 801-789-2772
4. Drilling contractor: Bill Martin Jr. Rot Hole Service
Address: 384 E 2500 S
Vernal Utah 84078 Phone: 801-789-6920
5. Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
<u>160'</u>	<u>162.5'</u>	<u>Fresh 30 gpm</u>	<u>Fresh</u>

6. Formation type: GREEN RIVER
- _____
- _____
- _____

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge. Date: 9-9-96

Name & Signature: Durrell Kaden Durrell Kaden Title: V.P. Exploration & Prod

ENTITY ACTION FORM - FORM 6

OPERATOR UNITED UTILITIES CORP
ADDRESS 7670 WOODWAY, SUITE 340
HOUSTON, TX 77063-1520

OPERATOR ACCT. NO. N 6360

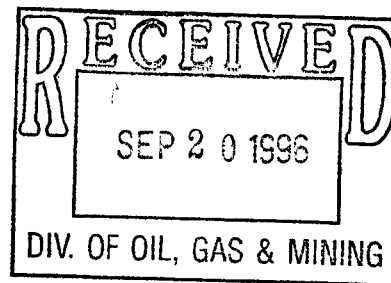
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	01350	11999	43-047-32778	RAINBOW UNIT 7 WELL	NW NW	18	11S	24E	UINTAH	9-2-96	
WELL 1 COMMENTS: Entity added 9-23-96. (Rainbow Unit note P.A.) <i>lic</i> * MVRD P.A. per operator.											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)



Jennifer Walker
Signature
Title _____ Date 9-17-96
Phone No. (801) 789-2772

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

United Utilities Corp.

3. Address and Telephone No.

625 N 100 W Vernal, Ut 84078 (801) 789-2272

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

793' FWL + 500 FSL Sec. 18 +11S R24E

JUL 11 1996

5. Lease Designation and Serial No.

UTU 0529

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Rainbow Unit

8. Well Name and No.

Rainbow 7

9. API Well No.

10. Field and Pool, or Exploratory Area

Rockhouse Wasatch

11. County or Parish, State

Uintah Utah

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☒ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

United Utilities Corp. ^{intends} ~~Requests~~ to move the Rainbow 7 well site from the south west 1/4 of sec. 18 to the north west 1/4 of sec. 18. Due to a discovery of a gilsonite vane running across the well site pad in the south west 1/4 of sec. 18 appx 2 feet wide. Construction of the pad site was appx 2/3 completed when the gilsonite vane was discovered. Well site pad and road will be restored to original contour and reseeded to BLM specifications.

CONDITIONS OF APPROVAL ATTACHED

VERNAL DIST.
ENG. <u>EM</u>
GEOLOG. <u>_____</u>
S.S. <u>BXT 7/26/96</u>
PET. <u>_____</u>
A.M. <u>_____</u>

Durrell Karren

14. I hereby certify that the foregoing is true and correct

Signed Durrell Karren

Title VIP Exploration & Prod.

Date 7-11-96

(This space for Federal or State office use)

Approved by [Signature]

Conditions of approval, if any:

Title ACTING

Assistant Field Manager

Mineral Resources

Date AUG 02 1996

RECEIVED
FEB 21 1997

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

DIV. OF OIL, GAS & MINING

Well No. Rainbow 7
Lease No. U-0529

SUBSEQUENT REPORT OF ABANDONMENT
CONDITIONS OF APPROVAL

1. The required seed mixture on the Rainbow 7 will be:

<u>Seed</u>	<u>Lbs. per Acre</u>
<u>Crested wheatgrass (Var. Hycrest or Ephraim)</u>	<u>3</u>
<u>Western Wheatgrass</u>	<u>3</u>
<u>Yellow sweetclover</u>	<u>1</u>
<u>Fourwing Saltbrush</u>	<u>5</u>
<u>Total lbs per acre</u>	<u>12</u>

-If the seed is broadcast, the mixture will be double the lbs. per acre, and a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

-All seeding will be done from September 15 until the ground freezes. However, if the location is rehabilitated during the winter, it would be preferable to seed the location immediately after the dirt work is done. If you would like to seed in the spring, an inspection will have to be made of the site prior to seeding to determine if the conditions are right.

-If the seeding is unsuccessful, reseeding may be required.

2. The reclamation plan outlined in the approved APD will be adhered to. United Utilities Corp. will notify the Bureau of Land Management 7 days prior to beginning surface rehabilitation operations to discuss seeding methodology and to allow us time to schedule a field examination, if necessary.

3. You or your authorized representative should inspect the abandoned location prior to notification to this office by Form 3160-5 that the location is ready for final inspection, and note especially that:

A. All material and junk are gone.

B. Reseeding or other required rehabilitation work has been completed.

COPY

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☒ Well File _____
RAINBOW 7
(Location) Sec 18 Twp 11S Rng 24E
(API No.) 43-047-32763

☐ Suspense
(Return Date) _____
(To - Initials) _____

☐ Other _____

1. Date of Phone Call: 2-18-97 Time: 2:00

2. DOGM Employee (name) L. CORDOVA (Initiated Call ☒
Talked to:

Name SALLY GARDNER (Initiated Call ☐ - Phone No. (801) 781-4491
of (Company/Organization) BLM/VERNAL

3. Topic of Conversation: STATUS OF WELL?

4. Highlights of Conversation: _____

WELL LOCATION MOVED TO 43-047-32778 (NWNW) DUE TO DISCOVERY OF A GILSONITE

VEIN RUNNING ACROSS WELL SITE PAD. SOME SURFACE DISTURBANCE TO WELL SITE

AT 43-047-32763; REHAB IN PROGRESS. BLM WILL NOT HANDLE THIS WELL AS A RESCIND

(A LETTER)
AND WILL NOT BE SENDING DOGM ONCE REHAB IS COMPLETE. PER BLM OK FOR DOGM

TO CONSIDER WELL LA'D EFF 8-2-96.

*970225 STATUS FR DRL TO LA EFF 8-2-96.

*LA'd
2/26/97
215*

DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

Page 1 of 2

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

TAMARA SEITER
UNITED UTILITIES CORP
7670 WOODWAY STE 340
HOUSTON TX 77063

UTAH ACCOUNT NUMBER: N6360

REPORT PERIOD (MONTH/YEAR): 2 / 97

AMENDED REPORT ☐ (Highlight Changes)[illegible]

COMMENTS: _____

I hereby certify that this report is true and complete to the best of my knowledge.

Date: _____

Name and Signature: _____

Telephone Number: _____

OPERATOR UNITED UTILITIES CORP

OPERATOR ACCT. NO. N 6360

ADDRESS _____

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
C	2010	1350	43-047-15805	RAINBOW UNIT 1	NESW	8	11S	24E	UINTAH		
WELL 1 COMMENTS: *ENTITY 2010/RAINBOW UNIT-NON P.A.;WSTC PA IS ENTITY 1350. THIS WELL CURRENTLY HAS 3 DIFFERENT SCREENS GRRV ENTITY 2010;MVRD ENTITY 11999 & WSTC ENTITY 1350.											
B	99999	11999	43-047-32778	RAINBOW UNIT 7	NWNW	18	11S	24E	UINTAH	9-04-96	1-04-97
WELL 2 COMMENTS: *DUAL COMPL;MVRD PA ENTITY 11999;WCR REC'D 3-7-97.											
B	99999	01350	43-047-32778	RAINBOW UNIT 7	NWNW	18	11S	24E	UINTAH	-04-96	1-04-97
WELL 3 COMMENTS: *DUAL COMPL;WSTC PA ENTITY 1350;WCR REC'D 3-7-97.											
WELL 4 COMMENTS:				1-File							
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

LISHA CORDOVA (DOGM)

Signature

ADMIN. ANALYST

Title

3-7-97

Date

Phone No. ()

Dual completion

11197 MAR 7 1967

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Wasatch	2591	4228	Gas			
Mesaverde	4228	TD	Gas			

38. GEOLOGIC MARKERS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

UTU-0529

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

Rainbow Unit

8. FARM OR LEASE NAME

9. WELL NO.

7

10. FIELD AND POOL, OR WILDCAT

Rockhouse Gas Field

11. SEC., T. R., M., OR BLOCK AND SURVEY OR AREA

Sec. 18, T11S, R24E
S.L.B.&M.

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other _____

b. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. REVR. ☐ Other _____

2. NAME OF OPERATOR

United Utilities Corporation

3. ADDRESS OF OPERATOR

19332 E. Tufts Cr. Aurora, CO 80015

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 784' FWL & 503' FNL Sec. 18, T11S, R24E

At top prod. interval reported below Same

At total depth Same

14. PERMIT NO. DATE ISSUED
43-047-32778 8/13/96

15. DATE SPUDDED 9/4/96 16. DATE T.D. REACHED 9/11/96 17. DATE COMPL. (Ready to prod.) 1/4/97 18. ELEVATIONS (OF, RKB, RT, GR, ETC.)* 5340' KB 19. ELEV. CASINGHEAD 5328'

20. TOTAL DEPTH, MD & TVD 5214' 21. PLUG, BACK T.D., MD & TVD 5157' 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY 0-TD ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

4847'-4867' Mesaverde
3921'-3928' Wasatch

25. WAS DIRECTIONAL SURVEY MADE
No

26. TYPE ELECTRIC AND OTHER LOGS RUN

CNL/FDC/Array Induction/CBL

27. WAS WELL CORED
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8	36	292	12 1/4	160 sx	None
4 1/2	10.5	5208	7 7/8	880 sx	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8	3915	--

31. PERFORATION RECORD (Interval, size and number)

4847-4867 4 JSPF 0.48"
4618-4683 21 holes 0.48" (Squeezed)
4481-4503 4 JSPF 0.48" (Squeezed)
4426-4454 4 JSPF 0.48" (Squeezed)
3921-3928 4 JSPF 0.48"

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4847-4867	16302 gals + 35,900# 20/40
3921-3928	11088 gals + 35,080# 20/40

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
1/5/97		Flowing				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
1/8/97	24	Open	→	0	456	150	---
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
450	700	→	0	456	150	---	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

TEST WITNESSED BY

D. Atwood

35. LIST OF ATTACHMENTS

Logs under separate cover

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Terry J. Cox

TITLE Agent/Consulting Eng

DATE 2/10/97

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Wasatch	2591	4228	Gas			
Mesaverde	4228	TD	Gas			

FAX**To:****Attn:**Tisha Cordova**Time Sent:**3:28 pm**From:**Sammy Lee**Date:**4/8/97**Number of Pages:**4**Fax Number:**(801) 359-3940**(includes this page)****Remarks:**

Tisha, I'm faxing you a letter
where United is Resigning as
unit operator effective 2/1/97

Please call with any
questions,

Thanks, Sammy

The information contained in this facsimile message is privileged and confidential information, intended for the use of the individual or entity indicated above. Any dissemination, distribution or copy of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original message to us via the U. S. Postal Service. Thank you.

UUC

UNITED UTILITIES CORPORATION
7670 Woodway Dr., Suite 340
Houston, Texas 77063
Phone: (713) 782-9093
Fax: (713) 782-9095

UNITED

UTILITIES INCORPORATED

April 8, 1997

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
ATTN: Lisha Cordova

Re: Resignation of Unit Operator (Rainbow, Rockhouse & Upper Rockhouse)

Dear Lisha Cordova,

Per our conversation on April 7, 1997 United Utilities Corporation has resigned as Unit Operator effective February 1, 1997 and Rosewood Resources Inc. is now the new Operator effective February 1, 1997. Please find the Monthly Oil and Gas Production Report showing Well Name, API # and Location of the Wells so that you can properly update United Utilities and Rosewoods Accounts.

Thanks in advance and have a great day.

Sincerely,
United Utilities Corporation



Tamara Seiter
Senior Accountant
Revenue & Joint Interest Billing

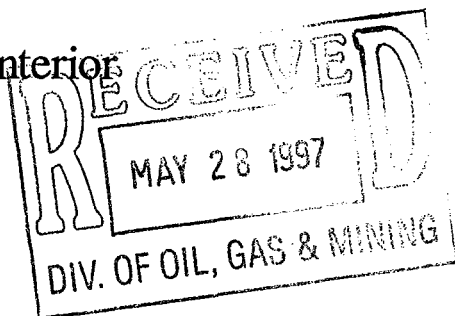
ts



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



May 27, 1997

Rosewood Resources, Inc.
Suite 500
100 Crescent Court
Dallas, Texas 75201

Re: Rainbow Unit
Uintah County, Utah

Gentlemen:

On May 16, 1997, we received an indenture dated May 12, 1997, whereby United Utilities Corporation resigned as Unit Operator and Rosewood Resources, Inc. was designated as Successor Unit Operator for the Rainbow Unit, Uintah County, Utah.

The indenture was approved by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Rainbow Unit Agreement. The instrument is hereby approved effective May 27, 1997.

Your nationwide (Montana) oil and gas bond No. 0627 will be used to cover all operations within the Rainbow Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Vernal (w/enclosure)
~~Division of Oil, Gas & Mining~~
Minerals Adjudication Group U-932
File - Rainbow Unit (w/enclosure)
MMS - Data Management Division
Agr. Sec. Chron
Fluid Chron

U-931:TAThompson:tt:5/27/97

Well Status Report
Utah State Office
Bureau of Land Management

Lease	Api Number	Well Name	QTR	Section	Township	Range	Well Status	Operator
** Inspection Item: 891007735B								
UTU017664A	4304715807	4 RAINBOW UNIT	NWSE	1	T11S	R23E	GSI	UNITED UTILITIES CORPORATION
** Inspection Item: 891007735C								
UTU017403	4304715805	1 RAINBOW UNIT	NESW	8	T11S	R24E	GSI	UNITED UTILITIES CORPORATION
UTU0529	4304715806	2-A RAINBOW UNIT	NESW	18	T11S	R24E	GSI	UNITED UTILITIES CORPORATION
→ UTU0529	4304732778	RAINBOW UNIT 7	NWNW	18	T11S	R24E	PGW	UNITED UTILITIES CORPORATION

OPERATOR CHANGE WORKSHEET

Attach all documentation received by the division regarding this change.

Initial each listed item when completed. Write N/A if item is not applicable.

Routing	
1- <u>GLH</u>	6- <u>GLH</u>
2- <u>GLH</u>	7-KAS
3- <u>DTL</u>	8-SI
4-VLD	9-FILE
5-JRB	

☒ Change of Operator (well sold)☐ Designation of Agent☐ Designation of Operator☐ Operator Name Change OnlyThe operator of the well(s) listed below has changed, effective: 2-1-97

TO: (new operator) ROSEWOOD RESOURCES INC
 (address) 100 CRESCENT COURT #500
DALLAS TX 75201

FROM: (old operator)
 (address)

UNITED UTILITIES CORP
804 W DALLAS STE 10
CONROE TX 77301

Phone: (214)871-5710Account no. N7510TAMARA SEITERPhone: (409)788-6400Account no. N6360

WELL(S) attach additional page if needed:

***RAINBOW UNIT**

Name: <u>RAINBOW UNIT 2A/WSTC</u>	API: <u>43-047-15806</u>	Entity: <u>1350</u>	S <u>18</u>	T <u>11S</u>	R <u>24E</u>	Lease: <u>U0529</u>
Name: <u>RAINBOW UNIT 4/WSTC</u>	API: <u>43-047-15807</u>	Entity: <u>1355</u>	S <u>1</u>	T <u>11S</u>	R <u>23E</u>	Lease: <u>U017664A</u>
Name: <u>RAINBOW UNIT 1/WSTC</u>	API: <u>43-047-15805</u>	Entity: <u>2010</u>	S <u>8</u>	T <u>11S</u>	R <u>24E</u>	Lease: <u>U017403</u>
Name: <u>RAINBOW UNIT 7/WS & MV</u>	API: <u>43-047-32778</u>	Entity: <u>1350</u>	S <u>18</u>	T <u>11S</u>	R <u>24E</u>	Lease: <u>UTU0529</u>
Name: _____	API: _____	Entity: <u>611999</u>	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- Rec 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). Rec'd 4-8-97
- X 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). (Blm Approval)
- N/A 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company **registered with the state?** (yes/no) ____ If yes, show company file number: _____
- Rec 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of **steps 5 through 9** below.
- Rec 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. (5-30-97)
- Rec 6. **Cardex** file has been updated for each well listed above. (5-30-97)
- Rec 7. Well **file labels** have been updated for each well listed above. (5-30-97)
- Rec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. (5-30-97)
- Rec 9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Yes 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no If entity assignments were changed, attach copies of Form 6, Entity Action Form.
** Oper. requests separate entity numbers for wells, do not group together.*
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been **notified** through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY)

- N/A 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
- Yes 2. A copy of this form has been placed in the new and former operator's bond files.
3. The FORMER operator has requested a release of liability from their bond (yes/no) , as of today's date . If yes, division response was made to this request by letter dated .

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A 1. Copies of documents have been sent on to at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
8/5 4/3/97
- N/A 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated 19 , of their responsibility to notify all interest owners of this change.

FILMING

- Yes 1. All attachments to this form have been **microfilmed**. Today's date: 6.20.97.

FILING

1. Copies of all attachments to this form have been filed in each **well file**.
2. The **original of this form**, and the **original attachments** are now being filed in the Operator Change file.

COMMENTS

970527 BLM/SY Aprv. 5-27-97.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-63035A

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
RAINBOW UNIT

8. Well Name and No.
RAINBOW FED #7

9. API Well No.
43-047-32763- 32778

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.
P.O. Box 1668, Vernal, UT 435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SW/SW SECTION 18, T11S, R24E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

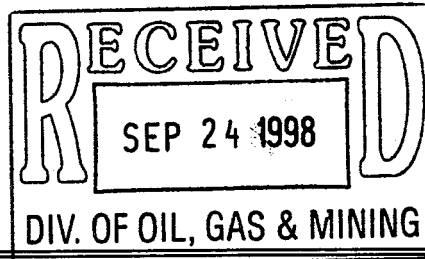
TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☒ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Produced water will be tanked on location and then trucked to the state approved TU & FRUM Disposal Facility located in Section 12, T5S, R19E, Uintah County. Produced water will be reported on the Monthly MMS-3160 from.



COPIES: ORIG. & 2-BLM; DIV. OG&M; J MCQUILLEN

14. I hereby certify that the foregoing is true and correct

Signed

Lucy Nemes

Title Administrative Assistant

Date 09/21/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. 891007735A / 891007735C

6. If Indian, Allottee or Tribe Name
N/A**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Rosewood Resources, Inc.

3a. Address

P.O. Box 1668

3b. Phone No. (include area code)

435-789-0414

7. If Unit of CA/Agreement, Name and/or No.

Rainbow Unit

8. Well Name and No.

Rainbow #7

9. API Well No.

43-047-32768-18

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SWSW SEC 18 T11S R24E

10. Field and Pool or Exploratory Area

11. Country or Parish, State
Uintah, UT

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

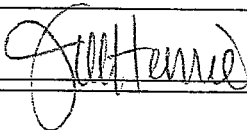
Rosewood Resources, Inc. would like to return the above mentioned well to producing status. Please see attached rig reports for completed workover on this well. Feel free to call with any questions or concerns.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Jill Henrie

Title Administrative Assistant

Signature



Date 11/13/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED

NOV 19 2008

DIV. OF OIL, GAS & MINING

ROSEWOOD RESOURCES, INC.

Daily Chronological Report

WELL NAME: Rainbow #7

API # 43-047-32763

SWSW SEC 18, T11S, R24E

Lease #891007735A / 891007735C

County : Uintah

Engineer : J Watkins / K Carrigan

9/22/2008

MIRU Pro Well Service Rig #1. ND Wellhead NU BOP. Spot in equipment. SDFN

Daily Cost: \$7,000 Cum Cost: \$7,000

9/23/2008

Pooh w/ 90 jts tbg. Started to look bad. Laid down 31 bad jts.

Rih w/ bit scraper 162 jts to 5068'

Pooh w/ 162 jts scraper and bit

Rih w/ plug packer and 156 jts to 4881'

Set plug and packer set, sticking us in hole.

Worked packer for 1 hour could not get it free.

S.D.F.N.

Daily Cost: \$8,000 Cum Cost: \$15,000

9/24/2008

250# on well. RU wireline truck. RIH & cut 6' jt off between plug and pkr. RD wireline truck. POOH w/ 156 jts tbg, pkr & 2' of 6' pup. RIH with overshot & 157 jts tbg. RU pump. Circulated down on to fish. Unset plug & POOH w/ 157 jts tbg, overshot & 4' of 6' pup & plug. SDFN

Daily Cost: \$18,360 Cum Cost: \$33,360

9/25/2008

250# on well. RIH w/ plug & pkr & 157 jts tbg. Set plug @ 4875' and pkr @ 4825'. RU & started swabbing. Initial fluid level @ 200'. Made 19 runs rec 75 bbls. Final fluid level at 1600'. SDFN

Daily Cost: \$6,000 Cum Cost: \$39,360

9/26/2008

550# csg 250# tbg. Initial fluid level at 300'. Made 17 swab runs. Rec 57 bbls water & had a gas blow in between runs. Fluid was very gas cut. Hard to tell where final fluid level was. SDFN

Daily Cost: \$5,000 Cum Cost: \$44,360

9/29/2008

Had 30# on Tbg and 650# on csg. Blew tbg to tank. Made swab run when possible. Rec 20 BBLs water. The well blew gas all day. SDFN

Daily Cost: \$5,000 Cum Cost: \$49,360

9/30/2008

30# tbg 650# csg. Initial fluid level @ 0' surface. Made 22 runs rec 90 bbls water. Final fluid level @ 4000'. SDFN.

Daily Cost: \$10,572 Cum Cost: \$59,932

10/1/2008

35# on TBG 650# on csg. Initial fluid level @ surface. Made 35 runs & rec 85 BBLs. Final fluid level @ 4700'. SDFN

Daily Cost: \$5,000 Cum Cost: \$64,932

10/2/2008

30# TBG 650# CSG. Initial fluid level @ surface. Made 20 swab runs. Covered 25 bbls. Unset pkr. Run down to plug & circ clean. Unset plug & moved plug up hole to 3962'. Set plug. Moved up hole and set pkr @ 3886'. RU & started swabbing. Made 8 runs rec 20 bbls water. Final fluid level @ 3000'. SDFN.

Daily Cost: \$7,000 Cum Cost: \$71,932

10/3/2008

50# TBG 150# CSG. Initial fluid level @ 50'. Made 25 runs rec 30 bbls. Final fluid level @ 3700'.

Daily Cost: \$5,000 Cum Cost: \$76,932

10/6/2008

150# on tbg and csg. Initial fluid level @ 1500'. Made 12 swab runs. Rec 20 bbls. Final fluid level @ seat nipple- 3900'. SDFN

Daily Cost: \$5,000 Cum Cost: \$81,932

10/7/2008

50# tbg 150# csg. Initial fluid level @ 1500'. Made 12 swab runs. Rec 20 bbls. Well would flow gas for one hour after every run. Final fluid level at SN - 3900'.

Daily Cost: \$5,000 Cum Cost: \$86,932

10/8/2008

55# tbg 350# csg. Initial fluid level @ 1500'. Made 12 swab runs. Well would flow for 2 hours after every run. Rec 15 bbls. Final fluid level @ SN - 3900'.

Daily Cost: \$5,000 Cum Cost: \$91,932

10/9/2008

50# tbg 350# csg. Made 3 swab runs. Unset pkr and unset plug. POOH w pkr & plug. RIH w/ CIBP & set @3962'. POOH & PU pkr. RIH w/ arrowset pkr & set @3886'. SDFN

Daily Cost: \$8,000 Cum Cost: \$99,932

10/10/2008

50# tbg 350# csg. ND BOP. NU Wellhead. RDMO _

Daily Cost: \$4,000 Cum Cost: \$103,932

11/7/08 Turned well on. TP 1400#. Well produced 25 MCF in 4 hours then logged off.

11/8/08 Well logged off. TP 140 #.

11/9/08 Well logged off. TP 140 #. Will try and produce 1/2 day on 1/2 day off until compressor is available.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
891007735A / 891007735C

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Rosewood Resources, Inc

3a. Address
P.O. Box 1668 Vernal UT 84078

3b. Phone No. (include area code)
435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NWNW SEC 18 T11S R24E

7. If Unit of CA/Agreement, Name and/or No.
Rainbow Unit

8. Well Name and No.
Rainbow #7

9. API Well No.
43-04732778 D2

10. Field and Pool or Exploratory Area

11. Country or Parish, State
Utah, UT

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☒ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Rosewood Resources Inc. would like to request TA status on the Mesa Verde formation on above mentioned well. We are currently producing this well out of the Wasatch formation and have plugged off the Mesa Verde. All reporting will be under API number 43-047-32778 D1. Please see attached rig reports and feel free to call with any questions or concerns.

Thank you,
Jill Henrie
Rosewood Resources, Inc.

C13PE 39621

COPY SENT TO OPERATOR

Date: 1-8-2009

Initials: KS

RECEIVED

DEC 24 2008

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Jill Henrie

Title Administrative Assistant

Signature

Date 12/18/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title Pet Eng

Date 1/6/09

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office DOG

Federal Approval Of This

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

ROSEWOOD RESOURCES, INC.

Daily Chronological Report

WELL NAME: Rainbow #7

API # 43-047-32763

SWSW SEC 18, T11S, R24E

Lease #891007735A / 891007735C

County : Uintah

Engineer : J Watkins / K Carrigan

9/22/2008

MIRU Pro Well Service Rig #1. ND Wellhead NU BOP. Spot in equipment. SDFN

Daily Cost: \$7,000 Cum Cost: \$7,000

9/23/2008

Pooh w/ 90 jts tbg. Started to look bad. Laid down 31 bad jts.

Rih w/ bit scraper 162 jts to 5068'

Pooh w/ 162 jts scraper and bit

Rih w/ plug packer and 156 jts to 4881'

Set plug and packer set, sticking us in hole.

Worked packer for 1 hour could not get it free.

S.D.F.N.

Daily Cost: \$8,000 Cum Cost: \$15,000

9/24/2008

250# on well. RU wireline truck. RIH & cut 6' jt off between plug and pkr. RD wireline truck. POOH w/ 156 jts tbg, pkr & 2' of 6' pup. RIH with overshot & 157 jts tbg. RU pump. Circulated down on to fish. Unset plug & POOH w/ 157 jts tbg, overshot & 4' of 6' pup & plug. SDFN

Daily Cost: \$18,360 Cum Cost: \$33,360

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250# on well. RIH w/ plug & pkr & 157 jts tbg. Set plug @ 4875' and pkr @ 4825'. RU & started swabbing. Initial fluid level @ 200'. Made 19 runs rec 75 bbls. Final fluid level at 1600'. SDFN

Daily Cost: \$6,000 Cum Cost: \$39,360

9/26/2008

550# csg 250# tbg. Initial fluid level at 300'. Made 17 swab runs. Rec 57 bbls water & had a gas blow in between runs. Fluid was very gas cut. Hard to tell where final fluid level was. SDFN

Daily Cost: \$5,000 Cum Cost: \$44,360

RECEIVED

DEC 24 2008

DIV. OF OIL, GAS & MINING

Rainbow #7 WO

9/29/2008

Had 30# on Tbg and 650# on csg. Blew tbg to tank. Made swab run when possible. Rec 20 BBLS water. The well blew gas all day. SDFN

Daily Cost: \$5,000 Cum Cost: \$49,360

9/30/2008

30# tbg 650# csg. Initial fluid level @ 0' surface. Made 22 runs rec 90 bbls water. Final fluid level @ 4000'. SDFN.

Daily Cost: \$10,572 Cum Cost: \$59,932

10/1/2008

35# on TBG 650# on csg. Initial fluid level @ surface. Made 35 runs & rec 85 BBLS. Final fluid level @ 4700'. SDFN

Daily Cost: \$5,000 Cum Cost: \$64,932

10/2/2008

30# TBG 650# CSG. Initial fluid level @ surface. Made 20 swab runs. Covered 25 bbls. Unset pkr. Run down to plug & circ clean. Unset plug & moved plug up hole to 3962'. Set plug. Moved up hole and set pkr @ 3886'. RU & started swabbing. Made 8 runs rec 20 bbls water. Final fluid level @ 3000'. SDFN.

Daily Cost: \$7,000 Cum Cost: \$71,932

10/3/2008

50# TBG 150# CSG. Initial fluid level @ 50'. Made 25 runs rec 30 bls. Final fluid level @ 3700'.

Daily Cost: \$5,000 Cum Cost: \$76,932

10/6/2008

150# on tbg and csg. Initial fluid level @ 1500'. Made 12 swab runs. Rec 20 bbls. Final fluid level @ seat nipple- 3900'. SDFN

Daily Cost: \$5,000 Cum Cost: \$81,932

10/7/2008

50# tbg 150# csg. Initial fluid level @ 1500'. Made 12 swab runs. Rec 20 bbls. Well would flow gas for one hour after every run. Final fluid level at SN - 3900'.

Daily Cost: \$5,000 Cum Cost: \$86,932

10/8/2008

55# tbg 350# csg. Initial fluid level @ 1500'. Made 12 swab runs. Well would flow for 2 hours after every run. Rec 15 bbls. Final fluid level @ SN - 3900'.

Daily Cost: \$5,000 Cum Cost: \$91,932

RECEIVED

DEC 24 2008

DIV. OF OIL, GAS & MINING

Rainbow #7 WO

10/9/2008

50# tbq 350# csg. Made 3 swab runs. Unset pkr and unset plug. POOH w pkr & plug. RIH w/ CIBP & set @3962'. POOH & PU pkr. RIH w/ arrowset pkr & set @3886'. SDFN

Daily Cost: \$8,000 Cum Cost: \$99,932

10/10/2008

50# tbq 350# csg. ND BOP. NU Wellhead. RDMO...

Daily Cost: \$4,000 Cum Cost: \$103,932

11/7/08 Turned well on. TP 1400#. LP 145#. Well produced 25 MCF in 4 hours then logged off.

11/8/08 Well logged off. TP 140 #.

11/9/08 Well logged off. TP 140 #. Will try and produce 1/2 day on 1/2 day off until compressor is available.

11/10/08 Well logged off. TP 145 #.

11/11/08 TP 240#. LP 180#. Well produced 7 MCF on a 48/64" choke in 12 hours. 0 water 0 oil.

11/12/08 TP 230#. LP 233#. Well produced 0 MCF on a 48/64" choke in 12 hours. 0 water 0 oil.

11/13/08 TP 230#. LP 233#. Well produced 0 MCF on a 48/64" choke in 12 hours. 0 water 0 oil.

** Energy Transfer Systems (Canyon) is doing routine maintenance creating HLP. Well is riding high PSI's.

11/14/08 TP 230#. LP 233#. Well produced 0 MCF on a 48/64" choke in 12 hours. 0 water 0 oil.

11/15/08 TP 230#. LP 233#. Well produced 0 MCF on a 48/64" choke in 12 hours. 0 water 0 oil.

11/16/08 TP 640#. LP 219#. Well produced 3 MCF on a 48/64" choke in 2 hours. 0 water 0 oil.

Dumps not working, water shut off supply gas, got dumps working, drained water and started unit.

11/17/08 TP 220#. LP 219#. Well produced 4 MCF on a 48/64" choke in 3 hours. 0 water 0 oil.

11/18/08 TP 220#. LP 220#. Well produced 23 MCF on a 48/64" choke in 12 hours. 0 water 0 oil.

11/19/08 TP 220#. LP 219#. Well produced 23 MCF on a 48/64" choke in 12 hours. 0 water 0 oil.

11/20/08 TP 300#. LP 206#. Well produced 0 MCF on a 48/64" choke in 0 hours. 0 water 0 oil.

Supply full of wtr, dumps not working

11/21/08 TP 220#. LP 219#. Well produced 6 MCF on a 48/64" choke in 5 hours. 0 water 0 oil.

11/22/08 TP 220#. LP 219#. Well produced 6 MCF on a 48/64" choke in 5 hours. 0 water 0 oil.

11/23/08 TP 220#. LP 219#. Well produced 6 MCF on a 48/64" choke in 5 hours. 0 water 0 oil.

11/24/08 TP 220#. LP 219#. Well produced 4 MCF on a 48/64" choke in 4 hours. 0 water 0 oil.

11/25/08 TP 140#. LP 139#. Well produced 4 MCF on a 48/64" choke in 6 hours. 0 water 0 oil.

11/26/08 TP 140#. LP 139#. Well produced 6 MCF on a 48/64" choke in 6 hours. 0 water 0 oil.

11/27/08 TP 140#. LP 128#. Well produced 15 MCF on a 48/64" choke in 10 hours. 0 water 0 oil.

11/28/08 TP 140#. LP 128#. Well produced 16 MCF on a 48/64" choke in 8 hours. 14 bbls water, 0 oil.

11/29/08 TP 140#. LP 128#. Well produced 12 MCF on a 48/64" choke in 8 hours. 15 bbls water, 0 oil.

11/30/08 TP 140#. LP 128#. Well produced 15 MCF on a 48/64" choke in 10 hours. 0 bbls water, 0 oil.

12/01/08 TP 120#. LP 118#. Well produced 17 MCF on a 48/64" choke in 12 hours. 0 bbls water, 0 oil.

12/02/08 TP 130#. LP 128#. Well produced 9 MCF on a 48/64" choke in 5 hours. 0 bbls water, 0 oil.

RECEIVED

DEC 24 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-0529
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: ROSEWOOD RESOURCES INC		7. UNIT or CA AGREEMENT NAME: RAINBOW
3. ADDRESS OF OPERATOR: PO Box 1668 , Vernal , UT, 84078		8. WELL NAME and NUMBER: RAINBOW UNIT 7
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0502 FNL 0784 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 11.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047327780000
PHONE NUMBER: 435 789-0414 Ext		9. FIELD and POOL or WILDCAT: ROCK HOUSE
COUNTY: UINTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/21/2015	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input checked="" type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> APD EXTENSION
<input type="checkbox"/> SPUD REPORT Date of Spud:	OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> DRILLING REPORT Report Date:	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Please change this well to shut in status. It was shut in on 11/21/2015 due to economic instability. Thank you Jill

Accepted by the
 Utah Division of
 Oil, Gas and Mining
FOR RECORD ONLY
 January 06, 2016

NAME (PLEASE PRINT) Jill Henrie	PHONE NUMBER 435 789-0414	TITLE Administrative Assistant
SIGNATURE N/A	DATE 1/5/2016	